



Overview

The Department of Veterans Affairs (VA) charges certain veterans a copayment for each 30-day or less supply of medication provided on an outpatient basis for a nonservice-connected condition. The copayment charge is calculated annually based on a formula linked to the medical consumer price index. (Reference: 38 CFR 17.110)

Based on this calculation, the medication copayment amount will increase from \$7 to \$8, effective January 1, 2006, for each 30-day or less supply of medication provided on an outpatient basis for treatment of a nonservice-connected condition. Veterans enrolled in VA's priority groups 2-6 will continue to have a cap on the amounts that they can be charged for medication copayments each year. This cap, which is now \$840 per calendar year, will be raised to \$960 per year, effective January 1, 2006. There is no cap on medication copayment charges for veterans in priority groups 7 & 8.

Questions

Answers to the most frequently asked questions concerning the calendar year 2006 medication copayment are provided below.

Question	Answer
When will the \$8 medication copayment rate go into effect?	The new copayment rate is effective with prescriptions filled on or after January 1, 2006.
Why is the copayment rate increasing?	This increase is required by federal regulation which links VA's copayments to increases in the medical consumer price index. (Reference - 38 CFR 17.110)
How is the copayment amount calculated?	<ul style="list-style-type: none">• For each calendar year beginning after December 31, 2002, the Index of the previous September 30th will be divided by the index as of September 30th, 2001.• The ratio so obtained will be multiplied by the original copayment amount of \$7.• The copayment amount of the new calendar year will be this result, rounded down to the whole dollar amount. Based on this calculation, the medication copayment amount for calendar year 2006 is \$8.

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Questions (continued)

Question	Answer
What is the copayment cap?	The copayment cap is a limit on the amount of medication copayment charges a veteran in VA's priority groups 2-6 can incur in a single calendar year. There is no copayment cap for veterans in priority groups 7 & 8.
Does the increase in the copayment amount affect the annual cap on medication copayments for veterans in VA's priority groups 2-6?	Yes, the cap will increase from the current \$840 per calendar year to \$960 per calendar year for veterans in VA's priority groups 2-6. As a result, veterans in these priority groups could incur an additional \$120 in charges per calendar year.
How will the copayment amount be updated in the VA's computer system (VistA)?	VA will issue a software patch (IB*2*330) to update the copayment amount to \$8 for all veterans and update the cap amount to \$960 for veterans in VA's priority groups 2-6.
How will veterans be notified of this change?	<p>There are several informational items that will be available to veterans explaining this change in the medication copayment amount:</p> <ul style="list-style-type: none">• Patient Statements mailed during the months of December 2005, January 2006 and February 2006 will include an insert explaining the increase. Field staff will also receive a copy.• A brochure entitled "Did you know... Medication Copayments" will be provided to each facility for distribution to veterans.• Posters will be distributed to each facility announcing the copayment change.• The VA internet has updated information which may be found at www.va.gov• The Health Eligibility Center will update Fact Sheet 16-1, <i>2006 Copayment Rates</i>.• The 2006 edition of the <i>Federal Benefits for Veterans and Dependents</i> will be updated to reflect the new copayment amount.

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Questions (continued)

Question	Answer
Where can we find information?	<ul style="list-style-type: none">• VA Internet - http://www.va.gov• Health Eligibility Center Fact Sheets: http://www.va.gov/hec/Reports/FS16-1Copay2006.pdf
